Transition to Retirement Pension

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WHAT IS A TRANSITION TO RETIREMENT PENSION?

A transition to retirement pension allows you to take money out of your superannuation pension account and make payments into your wallet to ensure you take the same take-home pay after sacrificing your salary into your accumulation account.

AM I ELIGIBLE FOR TTR?

You can start a TTR once you have reached your preservation age – which is the age in which you can access your super.

Preservation ages can be found below:

WHAT ARE THE BENEFITS OF A TTR?

- Access some of your Super while you're still working.
- Take home the same income payments
- Continue to grow your super while you're still working.
- Minimise taxation by paying some of your salary into your super before paying tax while boosting your Super savings at the same time **(Depending on MTR)**.

DISADVANTAGES OF A TTR?

- Not all Superfunds will offer TTR's.
- You can only withdraw 10% or less of your TTR balance each financial year.
- You must withdraw a minimum amount

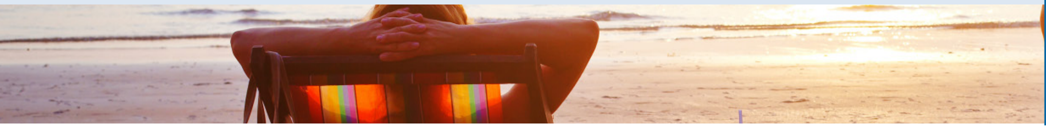
Date of Birth	Preservation Age
Before 1 July 1960	55
1 July 1960 - 30 June 1961	56
1 July 1961 - 30 June 1962	57
1 July 1962 - 30 June 1963	58
1 July 1963 - 30 June 1964	59
After 30 June 1964	60

EXAMPLE OF A TTR STRATEGY

The two most common transition to retirement strategies are:

- Reducing working hours and top up cash flow with income from a transition to retirement pension, or
- Continue working, salary sacrifice employment income, and top up cash flow from a transition to retirement pension.

It can also be used as a way of tax savings. An example of this is a couple with one working and the other not working. The partner working undertakes a TTR come the age of 60 (as they can withdraw the funds tax free at that age) they continue working normal hours and withdraw the maximum amount available and re-contribute it to their partners superannuation fund. This strategy reduces the taxable amount of their superannuation savings and is a benefit for adult dependants who will be taxed on the taxable amount when inheriting it.



Are You Financially Secure?

At Mulcahy & Co we are in a unique position to provide the expert advice and solutions of accounting, financial planning, lending, legal and information technology all under the one roof. This makes a normally complicated process seamless to help you on your way to becoming financially secure.

WHAT DOES BEING FINANCIALLY SECURE MEAN?

It means assessing your personal and business goals and developing a plan to achieve them.

1. **Goals & objectives**
2. **Estate plan**
3. **Risk plan**
4. **Asset protection plan**
5. **Taxation plan**
6. **Debt plan**
7. **Retirement plan**
8. **Business plan**
9. **Superannuation plan**
10. **Investment plan**

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